

**MONITORING, VERIFICATION AND EVALUATION UNIT
AGRICULTURAL POLICY REFORM PROGRAM**

**MVE UNIT
APRP**

Sponsored by:

**Government of Egypt,
Ministry of Agriculture and Land Reclamation**

**United States Agency for International Development/Cairo
Office of Economic Growth, Agricultural Policy Division**

**WORKPLAN
FOR YEAR 4 (January-
December, 2000)**

Abt Associates Inc.

September, 2000

Prime Contractor:
Abt Associates Inc.

Subcontractors:
**Environmental Quality International,
Management Systems International**

USAID Award: **263-C-00-97-00003-00**

Project Office: 15th Floor, 7 Nadi El Seid Street, Dokki, Cairo
Telephones: (202) 337-0357, 337-0592, 337-0378
Fax: (202) 336-2009

MVE TASKS AND THE ORGANIZATION OF THIS WORKPLAN

Verification

Verification consists of the analysis of accomplishment by the GOE of the policy reforms agreed to in MOUs by the GOE and USAID. Verification requires the submission of a plan and a final report on accomplishment. Usually this is done once per year.

New Verification Thrust: Horticultural Export Promotion. Tranche IV has five benchmarks that are focused on policies and regulations that constrain horticultural exports, a new area for APRP. This reflects USAID's new strategy and programmatic thrust. Horticultural production and post-harvest handling generate significant employment, as well as needed foreign exchange. The Unit will establish a knowledge base sufficient for quality verification work.

Monitoring

The monitoring program consists of periodic analysis based on a set of indicators agreed to by the different units of APRP. The attempt here is to measure the ongoing progress of the program faster and more frequently than through the impact assessment program. The indicators are easy to calculate but do not necessarily reflect the final impacts of the program. They are more likely to be indicators of policy reform than of the impact of that reform.

The Unit has published a monitoring baseline report that provides data and analysis for these progress indicators for the period leading up to APRP, 1990-97.

Impact Assessment ¹

Impact assessment is an attempt to measure the effect of APRP on the agricultural sector, and where feasible, on somewhat more macroeconomic variables. The MVE Unit developed an impact assessment plan to guide the implementation of these activities. Under the impact assessment program, the Unit has prepared baseline analyses in the cotton, rice, wheat, and fertilizer subsectors, and similar reports will be prepared for these subsectors near the end of the program for comparison and assessment of impact.

¹ Impact Assessment is referred to as Aevaluation® in the contract and in the acronym, MVE. AImpact assessment® is a more accurate description of what is intended and is preferred to avoid other interpretations of Aevaluation® in the context of contracts with USAID.

Ongoing Assessment of Key Commodity Subsectors. Although there are no cotton or rice benchmarks in Tranche IV, the work required to prepare endline commodity subsector reports is ongoing. This is an appropriate emphasis, given USAID's large investment in liberalizing the cotton and rice subsectors in the past. MVE staff will continue to monitor developments in key commodity markets and in privatization of public companies in those subsectors. They will carry out selected interviews, periodically update data files on prices, sales and export volume, and production variables, follow up on leads in the Egyptian press, and monitor closely the work of APRP/RDI and CSPP. As there are fewer consultant months to do this work, LTTA staff will undertake a greater share of this work than in Tranches I to III.

Given the now-extended length of APRP, in some more important subsectors mid-term updates and other topical studies will enhance the understanding of policy-induced change. The rice subsector update, completed in January 2000, showed that GOE policy interventions intended to stabilize commodity prices may have the unintended consequence of de-stabilizing commodity markets, as took place in the 1998/99 and 1999/2000 rice marketing seasons.

In-depth analyses of seed cotton marketing, such as the MVE reports assessing the 1998/99 and 1999/2000 marketing seasons, provide ongoing tracking of progress in liberalizing and reforming a critically important commodity subsector, on which many APCP and APRP policy benchmarks have focused. The Unit will continue to track changes in GOE and ALCOTEXA regulations and procedures year-by-year, because subtle variations and fine-tuning by the GOE have led to complex and not always predictable changes in performance. MVE hopes to assess the 2000/01 seed cotton marketing season, though perhaps not in quite the same depth as in earlier years.

Special Studies

Special studies are proposed by any unit in APRP, the GOE, or by USAID and carried out by the MVE Unit. They may address any topic relevant to the agricultural policy reform program. In year 2 the MVE Unit undertook special studies on cotton quality and grading and on agricultural productivity. The Unit also completed a study documenting the success of privatization of cotton ginning. Currently a study of the development of SMEs and its relationship to expenditures by agricultural households is under way. Special studies often contribute to the impact assessment effort.

SME Survey: Employment and Income Generation through Agricultural Growth. MVE hypothesizes that growth in agriculture is critical to employment creation and poverty reduction in Egypt. A significant proportion of incremental agricultural income is spent on (largely non-exportable) goods and services produced by SMEs in small towns and rural areas. Large numbers of jobs can be created in SMEs, partly because of their labor-intensive production techniques. To better understand these linkages and the characteristics of Egyptian SMEs, two surveys are planned: one will cover SME establishments at their place of business; the other will capture household-based SME activities. By using both methods, MVE hopes to obtain a nationally representative sample of small and micro enterprises.

General/Management

This category includes processes that are necessary for the Unit to succeed and to fulfill its contractual obligations. Included are preparation of workplans and quarterly reports and similar functions.

Implementation

MVE is not contractually charged with implementation of policy and regulatory reform, and implementation work is not a major part of MVE's workplan. MVE's work in the area of data availability and quality and in short-term crop forecasting is highly complementary to MALR's work program. For this reason, the Unit has gone beyond assessment to help implement recommendations from several key studies in these areas. This work has been encouraged by USAID and the MALR, and supported by GTZ. The work supports MALR/EAS's ongoing efforts to improve methods of sample selection, data collection, and data processing.

Breakdown of LTТА Staff LOE by Activity

The table below presents estimates of how MVE staff will allocate their time to different MVE activities. The largest proportion of MVE staff time is allocated to impact assessment (37%), although verification work takes a close second (27%). Together they account for about two-thirds of LOE. Special studies (12%) and monitoring (10%) receive less weight, though they remain important core substantive activities. The table also shows approximately how expatriate and local STТА LOE will be allocated.

MVE Unit: Allocation of Staff Time by Component, 2000

Personnel	General/ Mgt	Verificatio n	Monitoring	Impact Assessm't	Special Studies	Implemen- tation	Total Labor
LTТА							
Gary Ender	40%	20%	10%	10%	20%	0%	100%
John	5%	35%	5%	50%	5%	0%	100%
Adel Mostafa	5%	50%	15%	15%	15%	0%	100%
Morsy Fawzy	5%	15%	5%	50%	10%	15%	100%
Sherif Fayyad	0%	10%	20%	60%	10%	0%	100%
Average	11%	27%	10%	37%	12%	3%	100%
STТА							
Expatriate	0%	0%	0%	50%	50%	0%	100%
Local	0%	10%	10%	60%	20%	0%	100%

CONTRACT EXTENSION AND PREPARATION OF THIS WORKPLAN

The preparation of this workplan was delayed by the process of extending the contract for the Unit. Because of uncertainty about the level of funding for the Unit's activities, it was prudent to delay the formulation of the work program. The workplan now reflects the new much lower level of funding available to the Unit. A number of activities that the Unit had hoped to carry out have been removed from the workplan for lack of resources. In general the paucity of LOE for short-term technical assistance means that the scope of the program has been reduced from that hoped for and that the long-term staff will directly conduct proportionately more of the work than previously.

The contract for the MVE unit has been extended to cover the period from July 1, 2000 through August 31, 2002. The policy benchmarks for tranche IV have been formulated and the MOU signed with a date of completion for one-year benchmarks of December 31, 2000 and two-year benchmarks (and subsequently those in tranche V), December 31, 2001. There will be no more tranches under APRP after tranche V. The extended contract gives the Unit sufficient time to verify the accomplishment of benchmarks in both tranche IV and tranche V. This workplan was drafted and now will be finalized, as was the workplan for 1999, with the extension in mind, so final impact assessments are not planned for this year (year 4), but these will be completed by the end of the contract.

ACTIVITIES OF THE MVE UNIT IN 2000

Task	Start date	End date	Staffing/ Responsibility	Comments
VERIFICATION				
Complete verification plan for benchmarks of tranche IV	Dec/99	Mar/00	COP/AM	Five benchmarks concern horticultural export promotion, reflecting one of USAID's new strategic thrusts.
Field work for verification of tranche IV	Oct/99	Dec/00	LTTA	13 Tranche IV benchmarks (5 in C; 8 in D) require verification work in both 2000 (for Tranche IV) and in 2001 (one or more verification indicators for Tranche V).
Draft verification report for tranche IV	Dec/00	Feb/01	LTTA/COP	
Participate in formulation of benchmarks and indicators for tranche V	Jun/00	Nov/00	LTTA	Final draft benchmarks will be presented at the October PPC meeting. USAID expects final BM's by November 1, 2000.
Draft verification plan for tranche V	(Feb/01)	(Mar/01)	AM/LTTA	After the implementation workshop(s).
MONITORING				
Update progress indicators	Mar/00	Sep/00	GE/AM/RA	Lag in GOE data processing & reporting means that some data are not available until 6-9 months after the end of year.
Draft monitoring report	Sep/00	Oct/00	GE/AM/RA	
Complete monitoring report	Oct/00	Dec/00	GE	
IMPACT ASSESSMENT				
Seed Cotton Marketing in 1997/98 and				

Task	Start date	End date	Staffing/ Responsibility	Comments
1998/99	Jun/99	Feb/00	JH/AM/STTA	
Cotton Short-Term Forecasting Methods	Jul/99	Jul/00	MF/STTA	MALR, with GTZ and MVE assistance, is adopting the recommendations of this report. MALR is developing a cotton forecasting program and has conducted extensive training courses in support of this objective.
Rice Mills Study	/99	Nov/00	JH/STTA	Some results have been incorporated in rice update; separate study to be completed.
Rice Subsector Update	Sep/99	Feb/00	JH/STTA	This report provided a timely analysis of remaining problems in the rice subsector, thought by some to be fully liberalized.
New Lands Data Availability and Quality	Nov/99	Jul/00	MF/STTA	Seminal study shows that data collection on agricultural activities in the New Lands is inadequate.
Wheat Short-Term Forecasting Methods	Nov/99	Sep/00	MF/STTA	
Mid-Term Privatization/Liberalization Summary	Feb/00	Oct/00	JH	Reduced funding means that this study will cover only the two subsectors (rice and cotton) for which Dr. Holtzman has drafted sections. Fertilizer and wheat will be covered by endline studies.
Development of Private Spinning	Mar/00	Oct/00	JH/AM/RA/ STTA	Report will be based on 2 rounds of spinners= survey. Private investment provides hope for troubled industry.
Farm Income/Net Returns to Major Crops	Aug/00	Mar/01	MF/RA	To search for usable cost-of-production and farm income studies and data (during 1986-2000) to use as baseline for impact assessment.

Task	Start date	End date	Staffing/ Responsibility	Comments
Seed Cotton Marketing in 1999/2000	Oct/99	May/00	AM/STTA	
Small-Scale Enterprises, Mostly in Rural Areas and Small Towns, Phase II	Nov/00?	Jun/01?	GE/MF/STTA	Start date depends on progress of phase I and staff availability.
Privatized Spinner Case Study			JH/AM	Similar in thrust to successful case study of ginning privatization. <i>Will proceed only if sufficient information is obtainable</i> from both private and public spinning companies.
Changes in Patterns of Cropping and Value of Production, GIS-based analysis?			GE/MF/RA	<i>Unlikely to proceed.</i> Depends on availability of software and base governorate/district-level electronic map files at reasonable cost.
SPECIAL STUDIES				
Cotton Ginning Case Study	Sep/99	May/00	AM/STTA	MVE has documented an agribusiness privatization success story that provides lessons for privatizing other industries.
Small-Scale Enterprises, Mostly in Rural Areas and Small Towns, Phase I	Feb/00	Nov/00	GE/STTA	To better understand SMEs and their dependence on expenditures of agricultural households, as this relationship holds great promise for job creation and poverty reduction.
GENERAL AND MANAGEMENT				
Draft workplan and solicit comments	Dec/99	Jul/00	COP/LTTA	Development of workplan delayed by contract negotiations.
Submit revised workplan to PPC for approval		Sep/00	COP/LTTA	

Task	Start date	End date	Staffing/ Responsibility	Comments
Submit revised workplan to USAID for approval		Sep/00	COP	
Produce quarterly and annual performance reports	Jan/00	Oct/00	COP with input from LTTA	
IMPLEMENTATION				
Follow-up to data quality studies	Jan/00	Dec/00	MF	Dr. Morsy provides ongoing support to MALR/EAS.
Follow-up to cotton forecasting study	Aug/00	Dec/00	MF	Field trips, workshops and ongoing support to MALR/EAS.
Follow-up to wheat forecasting study	Oct/00	Dec/00	MF	Field trips, workshops and ongoing support to MALR/EAS.

Abbreviations:

AM	Adel Mostafa	PR	Performance report(s)
COP	Chief of party	PPC	Program Planning Committee
GE	Gary Ender	RA	Research Assistant
JH	John Holtzman	RDI	Reform Design and Implementation Unit
LTTA	Long-term technical assistance team	STTA	Short-term technical assistance personnel
MF	Morsy Fawzy		